

INFORMATION REPORT

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COUNTRY Venezuela

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SUBJECT Petroleum Industry Marine
Contract Negotiations

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1. Initial negotiations for a new collective contract for the non-licensed personnel of the local petroleum companies' marine departments" bogged down completely in early June 1951 as a result of disagreement over the first clause of labor's proposal, the so-called "inclusion" clause, which would make certain land-based personnel of the marine departments eligible for whatever benefits and concessions are granted to tanker personnel. The local labor inspector finally referred the case to the Labor Ministry in Caracas, Venezuela, for a decision, and negotiations were discontinued pending notification of the Ministry's view of the matter. The petroleum companies were informed on 11 June 1951 that the Ministry had ruled in favor of the companies, declaring that land-based marine personnel were already included in the category covered by the government's decree of 9 April 1951, making them ineligible for inclusion in the current negotiations.
2. Official discussions were resumed on 13 June 1951, with another meeting on the following day. Industrial relations officers of the various companies will hold an informal meeting among themselves on 16 June 1951 to plan their strategy for future meetings with the union, which will be resumed on 18 June 1951.
3. The meetings of 13 and 14 June 1951 were, as expected, almost a waste of time. The second clause of the union proposal dealt with definitions of the various terms used in the eighty remaining clauses. There was considerable bickering over many of the definitions, but a satisfactory agreement was reached by both sides, at which time the companies made it clear that they would not accept bipartite or tripartite commissions for settlement of disputes or claims.
4. The next clause, which called for a general pay increase of five bolivares per day, was temporarily rejected by the companies on the grounds that this point should not come up for final discussion until the other clauses had been considered. Industry strategy in this matter will make a reasonable counter-proposal at a later date. It has generally been regarded by company officials that approximately two bolivares per day would be an equitable increase. However, the exact amount involved in the counter-proposal, which might eventually be above the two-bolivar figure, will depend entirely on the outcome of the other points under discussion.
5. The fourth clause, which demanded a forty-hour work week, was flatly rejected by the companies. The fifth and last clause to be discussed so far dealt with hours and pay of a specialist category, the punnon. This was also rejected

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-2-

by the companies. The final act of the meeting held on 14 June 1951 was the union's refusal to accept the rejections of clauses four and five.

6. Porfirio Marval, leader of Partido Revolucionario del Proletariado (Comunista), came to Maracaibo from the eastern part of Venezuela in May 1951, hoping to represent the non-licensed personnel in negotiating a new contract. During the first week of June 1951 he presented to the labor inspector his petition, signed by 250 seamen who agreed to have him represent them, and asked for a meeting with oil company representatives. A brief meeting was held shortly thereafter, at which time the companies asked for a delay of three weeks before initiating formal discussions, as they had done when the union petition was submitted. The company request was granted by the labor inspector and agreed upon by Marval. The next meeting with him has been scheduled for 25 June 1951, at which time the companies hope to have him and his faction declared ineligible to negotiate by the labor inspector, on the grounds that he does not represent at least seventy-five percent of labor, a stipulation of the labor code.

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Comment. Labor realizes that tanker personnel will be considerably reduced after Shell inaugurates its new pipeline to the Paraguana peninsula. This realization could produce one of two effects: they will either be more willing to compromise in view of their obviously weakened position, or it may induce them to make a last-ditch, determined stand.

The new union is in an extremely difficult position. Its current prestige and perhaps its entire future hinges on the present negotiations. A successful settlement, advantageous to labor, would be quite a feather in the union's cap. On the other hand, if it were to negotiate a contract which later proved to be unpopular with labor, it would constitute a serious handicap for the union. Hence, the negotiating union will probably be forced to weigh the issues with unusual caution in attempting to arrive at an advantageous balance.

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